GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:14
ANSWERED ON:17.02.2006
ACTION FOR RECOVERY OF LOAN
Rana Shri Kashi Ram;Singh Deo Smt. Sangeeta Kumari

Will the Minister of FINANCE be pleased to state:

(a) whether the banks are required to take legal action against defaulters for non- repayment of loan taken from nationalised banks;

(b) if so, the names of the banks that have taken such action alongwith the details thereof for the last three years, bank-wise; and

(c) the steps being taken by the Government for speedy recovery of loan and early settlement of court cases?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Yes, Sir. The banks are required to take action for recovery of dues in accordance with their recovery policies and instructions of Reserve Bank of India/Government.

(b) The bank-wise details of number of cases filed in various DRTs and notices issued under SARFAESI Act, 2002 together with recovery made by nationalised banks during the last three years are given in Annex I & II.

(c) Government of India and Reserve Bank of India have stipulated certain steps for recovery of loans, which, inter-alia, include evolving and implementing a recovery policy by banks, filing of suits in civil courts/DRTs, issue of notices under SARFAESI Act, 2002, compromise settlement and monitoring and follow up of NPAs at various levels. The public sector banks have been advised to take effective measures for expeditious recovery of dues from the borrowers in NPA accounts.